

Interview with Carlos Malamud: “The Relationship Between Spain and Latin America is Increasingly a Two-way Street. “

Carlos Malamud is a principal researcher at the Elcano Royal Institute and professor of American History at the National Distance Education University (UNED). Member of the National Academy of History (Argentina). In 2015 he was chosen as one of the “50 most influential Ibero-American intellectuals” according to Esglobal. He has been senior associate member (SAM) at the Saint Antony’s College, Oxford University (1992/93), and visiting researcher at the University of the Andes (Corona Chair, 2003) and the Di Tella Institute (Buenos Aires). Between 1996 and 2002, he was deputy director of the Ortega y Gasset University Institute, and director of its Latin America program. Doctor in Latin American History from the Complutense University of Madrid. He was a member of the Advisory Board of the Institute of Culture of the MAPFRE Foundation. He currently combines his work as a historian with that of political analyst and International Relations for Latin America.

To begin, we would like to ask you to summarize, in broad terms, the current situation in Latin America, from the socio-economic point of view.

Latin America is one of the regions of the world most affected by the pandemic.

With only 8% of the world’s population, it has 30% of cases and 20% of deaths caused by COVID-19. How did it get to this? Basically, because it started from a situation weighed down by great weaknesses (little power and presence of the government, public health systems) and limitations (less fiscal maneuverability and debt capacity than in the 2008 crisis).

Added to this is the important fact that the prospects for the future of the region at the beginning of 2020 were very subdued. 2019 closed with large social protests in many countries in the region and the expectation was that they would reproduce and increase in 2020. However, one of the consequences of the pandemic is that it flattened the curve of the protests, although the question about the future is whether these will reappear and, especially, how, when, and where? Recent precedents in Chile, Colombia, Guatemala, and Peru indicate that we must be very cautious and vigilant in this regard.

In many of your studies and interviews, you emphasize the indiscriminate use of the terms Latin America and Ibero-America. From an economic perspective, why is it important to talk about Latin America and not Ibero-America?

The concept Ibero-America is used simultaneously to allude to the group of Latin America plus Spain, Portugal, and Andorra and as a synonym of Latin America, which creates some confusion because, on many occasions, we do not know what worldview we are talking about. I would save

the name Ibero-America for the first meaning, linked to the existence of what was once called the Ibero-American Community of Nations, and I would use Latin America for the nations of Spanish and Portuguese language in the Americas.

However, in certain sectors of Spanish society, and because of historical and cultural misgivings, the use of the latter name is rejected as having a French origin that goes against historical reason. However, the biggest problem is that the vast majority of Latin Americans identify as Latin Americans. And if they choose that identity, neither we nor anyone else has the right to change it or call them otherwise. Finally, in international terms, practically nowhere in the world is the name of Ibero-America used, nor do international and multilateral organizations use it.

From an economic perspective, and bearing in mind that it negatively affects the image of Spain in the Latin American region, it is preferable to use Latin America and not Ibero-America. And even more so if Spanish companies have a clear international projection—it is not advisable to use a double language with two different messages applied to seemingly different worldview.

Latin America has sought to join efforts through regional integration mechanisms, from different levels and sectors, primarily economic. In your opinion, what has been the result? Are they viable in such an extensive and diverse region? In which sectors/areas do you see them as feasible?

At the moment, and for various reasons, it can be said that the process of regional integration in Latin America is in a crisis. The vast majority of integration instances arising in the first 15 years of the 21st century, such as the Union of South American Nations (UNASUR), the Community of Latin American and Caribbean States (CELAC), and the Bolivarian Alliance for the Peoples of Our America (ALBA), are stalled or in a final stage.

But this is not due to the size of the continent or its diversity. The European case, differences aside, and without posing an impossible comparison, shows that Latin American problems are different. Excess of rhetoric and nationalism, together with a marked deficit of leadership, have negatively affected the process, in addition to the excessive weight of presidential diplomacy.

At present, it is very difficult to move forward on this path. However, today it is more necessary than ever, beyond the fragmentation and the political heterogeneity, looming today over the region. This will require consultation and cooperation, starting with those areas where there are greater possibilities for progress, such as the construction of connecting infrastructures or the harmonization of rules that hinder intraregional trade, which is extremely underdeveloped.

Latin America has been one of the regions most affected by the Covid-19 pandemic at multiple levels. What, in your view, has been the greatest impact on the region?

The economic and social impact of the pandemic will be devastating. From this standpoint, the effects of the pandemic are being devastating and it is estimated that in the immediate future (including the next two or three years) they will be even greater. In economic terms, in 2020, the GDP will drop by around 9% and the recovery in subsequent years will be slow and uneven. To a large extent, partly as a result of the condition of its main economic and trade partners (the US,

China, and the EU).

In social terms, all estimates, starting with those of ECLAC, forecast a considerable increase in poverty and extreme poverty, inequality, and unemployment. Nor should we forget the rise in informal employment, malnutrition, and school dropout. Women and young people stand out among the most vulnerable groups, not to mention indigenous peoples.

The working-class sectors that had joined the middle classes after the expansion caused by the raw material super cycle, and which were already suffering the consequences of the weak economic growth of recent years, are being badly hit. The prospect of a return to poverty (which has already come in many cases) fuels new social protests and violent responses.

Regional unemployment in the first half of 2020 was 11.4%. It is estimated that 47 million jobs will be lost in the second quarter of 2020. Poverty will increase by 45 million people—reaching 231 million poor people, 37.3% of the regional population. Something similar will happen with extreme poverty, which will increase by 28 million people (96 million people in extreme poverty, 15.5%). The figures not only show a serious setback against the outstanding advances of recent years, but also make us fear, if not corrected in the medium term, a significant increase in social conflict

In your view, what measures can help the region to find the way to recovery?

The key will be in the reconstruction process to get out of the depression caused by the pandemic. To this end, economic discipline, political order, social peace, legal security, and intra-regional cooperation will be decisive. Although it is clear that in this regard there are many difficulties depending on each country's reality.

Given the regional economic and financial constraints, it will be important to have the support of multilateral financial agencies, such as the World Bank and the IMF, and regional agencies, the Inter-American Development Bank (IDB), and the CAF-Development Bank of Latin America.

European absence in this effort would not be well understood by Latin American partners. Moreover, in the current context, any vacuum left by both the EU and the US will be filled by China. But above all, it will be Latin American governments and societies that are primarily responsible for following a virtuous path.

What sectors do you think may be relevant for future development? And what countries do you think are betting on them?

A Green Pact (change of the energy system based on non-renewable energies and fight against climate change), aligning with the EU and, probably, with the Biden administration, and also to promote the digital revolution in their respective countries should be supported. Development of digital and interconnection infrastructures. Some countries stand out more than others. Among the first are Chile, Colombia, Costa Rica, and Uruguay.

The search for a new production system should not be done at the cost of sacrificing current strengths, such as the production and export of food and raw materials, but of harnessing them in

a more comprehensive and smarter way.

Spanish companies continue to make significant contributions to the Latin American economies where they are established. What role can Spain play in the recovery of the Latin American region?

Spain's role can and should be important. Although its capacity for action in the post-pandemic reconstruction process will be undermined by the intensity of the crisis in the Spanish economy and society. This will have a negative impact on the ability to take action in our development cooperation programs. In any case, Spain can play an important role, mobilizing resources and policies both in the EU and in multilateral bodies.

Direct investment of Latin American origin in Spain has also been consistent in recent years. From your perspective, how can this bidirectionality of investments be further enhanced?

The relationship between Spain and Latin America is increasingly a two-way street. For Spain to be more present and more influential in Latin America, Latin America must be more present and more influential in Spain. In fact, for example, one factor that directly impacts Spain's image in Latin America is the sentiment of the strong immigrant communities. Spain knew how to benefit from its knowledge of the Latin American region (and its languages and cultures) to boost its investments. It must now do the same to increase the flow of Latin American FDI into Spain. What happened with the Mexican investment (sixth in importance in our country today) is a clear example.

It is often said that opportunities arise from crises. What opportunities can Latin America find from this crisis?

Latin America will come out badly battered from this. This is a crisis that has not yet come to a close in the Americas. In Latin America, the economy will be badly bruised, but society and politics will also suffer. All this in a context of growing disengagement with democracy and its institutions, but also with the attitude of the elites, both traditional and new. It is clear that these factors taken as whole can be a remarkable breeding ground for the emergence of new populist leaders, some located more to the left, others more to the right, but all with a strong illiberal and anti-democratic component.

However, to the extent that full awareness of the situation is gained and new rules of the game are required, post-pandemic reconstruction can be an excellent opportunity to lay new foundations to boost economic development, but also to regenerate social relations and politics. The new middle classes must be fully integrated into the social and economic environment, and movement of social decline caused by the pandemic must be halted.

Would you like to share with us an additional message for the future?

Two of them. The first is that the vaccine may be an ideal way out of the crisis, but it will require a significant effort from government and health agencies. The vaccine must be a public asset

distributed fairly, starting with the most vulnerable groups.

The second is that in order for most of the opportunities that may arise in the immediate future to be realized, Latin American societies, their citizens, and their elites must be able to articulate a new social contract that will eliminate a significant part of the inflexibilities and barriers currently compromising development.